

Finance and Administration

Controller

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Recommended FY 2007	Recommended FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,832,100	12,164,400	12,525,600	10,954,300	10,954,300
Salary Compensation Fund	216,300				
Base Deduction	-94,100				
Total General Fund	10,954,300	12,164,400	12,525,600	10,954,300	10,954,300
Restricted Funds					
Balance Forward	2,635,300	2,150,300	2,154,800	950,300	672,400
Current Receipts	1,671,000	2,323,700	2,328,700	1,875,300	1,886,800
Non-Revenue Receipts	30,300	130,300	130,300	103,800	91,800
Fund Transfers	-1,200,000				
Total Restricted Funds	3,136,600	4,604,300	4,613,800	2,929,400	2,651,000
Federal Funds					
Balance Forward	2,900				
Current Receipts	497,100	1,000,000	1,000,000	1,000,000	1,000,000
Total Federal Funds	500,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL SOURCE OF FUNDS	14,590,900	17,768,700	18,139,400	14,883,700	14,605,300
EXPENDITURES BY CLASS					
Personnel Cost	7,140,500	8,616,800	9,080,800	7,214,200	7,225,900
Operating Expenses	5,998,600	5,995,600	5,995,600	5,995,600	5,995,600
Grants, Loans or Benefits	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Debt Service	1,500	1,500	1,500	1,500	1,500
TOTAL EXPENDITURES	13,640,600	15,613,900	16,077,900	14,211,300	14,223,000
EXPENDITURES BY FUND SOURCE					
General Fund	10,954,300	12,164,400	12,525,600	10,954,300	10,954,300
Restricted Funds	2,186,300	2,449,500	2,552,300	2,257,000	2,268,700
Federal Funds	500,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL EXPENDITURES	13,640,600	15,613,900	16,077,900	14,211,300	14,223,000
EXPENDITURES BY UNIT					
Controller	5,203,600	5,585,500	5,692,200	5,254,000	5,280,800
Local Government Services	1,111,400	1,345,400	1,410,700	1,125,500	1,046,100
Rural Empowerment Zone	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Financial Management	3,502,800	3,739,500	3,830,300	3,573,500	3,585,200
Material & Procurement Services	1,726,800	1,978,800	2,077,100	1,689,800	1,716,700
Customer Resource Center	761,500	924,700	970,900	755,200	767,200
Policy and Audit	834,500	1,040,000	1,096,700	813,300	827,000
TOTAL EXPENDITURES	13,640,600	15,613,900	16,077,900	14,211,300	14,223,000

The Office of the Controller provides management for financial accounting control policies and procedures; financial accounting systems; debt management; state purchasing; administration of the Old-Age, Survivors, Disability and Hospital Insurance program; and functions relating to the county fee systems for local entities. The State Controller functions as the Commonwealth's Chief Accounting Officer and participates in the development and maintenance of the Commonwealth's strategic financial management program.

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 - 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Transportation Fund, and approximately 50 other accounts.

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state government (excluding construction and road maintenance). The Office supports the Procurement Desktop software module of MARS, designing and testing modifications to the software to ensure it meets the needs of using agencies. The Procurement Services Branch and the Procurement of Technology Services Branch are responsible, with respect to their area of expertise, for purchasing all commodities and non-professional services for state agencies that exceed an agency's small purchase authority limit. The Government Contract Review Branch provides administrative oversight and review of all personal service contracts and Memoranda of Agreement, and ensures compliance with the provisions of KRS Chapter 45A prior to forwarding contracts to the Legislative Research Commission, Government Contract Review Committee, for approval.

The Office of the Customer Resource Center (CRC) operates a help desk to support nearly 5,000 users of the MARS system and is responsible for training Commonwealth employees on all MARS products. In addition, CRC is responsible for developing and analyzing reports to identify areas that need improvement.

The Office of Policy and Audit is responsible for assuring the reliability and integrity of information used to support management decision making, evaluating how state assets are safeguarded, providing risk and insurance management to the Cabinet, and appraising the economy and efficiency of resource use. Staff also ascertains whether the operations and programs are being implemented as planned, and performs special studies at the request of management.

Policy

Notwithstanding KRS 61.470(4), no money is appropriated for the Social Security Contingent Liability Fund established by KRS 61.470(4). Any expenditures that may be required by KRS 61.470(4) are hereby deemed a necessary governmental expense and shall be paid from the General Fund Surplus Account (KRS 48.700) if available or from any available balance in either the Judgments budget unit appropriation or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in the Appropriations Act.